

BEFORE THE INDUSTRIAL COMMISSION  
OF THE STATE OF NORTH DAKOTA

CASE NO. 20442  
ORDER NO. 22748

IN THE MATTER OF A HEARING CALLED ON  
A MOTION OF THE COMMISSION TO  
CONSIDER THE APPLICATION OF HESS  
CORP. FOR AN ORDER PURSUANT TO NDAC  
43-02-03-88.1 AUTHORIZING THE FLARING OF  
GAS PRODUCED FROM THE AV-SCHWARTZ-  
163-93-0211H-1 WELL, LOT 1, SECTION 2,  
T.163N., R.93W., BURKE COUNTY, ND,  
PURSUANT TO THE PROVISIONS OF NDCC  
38-08-06.4, OR FOR SUCH OTHER RELIEF AS  
MAY BE APPROPRIATE.

ORDER OF THE COMMISSION

THE COMMISSION FINDS:

- (1) This cause came on for hearing at 9:00 a.m. on the 26th day of June, 2013.
- (2) Hess Corporation (Hess) provided exhibits and testimony in this matter by sworn affidavit.
- (3) The Commission received an application from Hess on June 24, 2013 for an order pursuant to North Dakota Administrative Code (NDAC) Section 43-02-03-88.1 authorizing the flaring of gas from the AV-Schwartz-163-93- #0211H-1 well located in Lot 1 of Section 2, Township 163 North, Range 93 West, Short Creek-Bakken Pool, Burke County, North Dakota, pursuant to the provisions of North Dakota Century Code (NDCC) Section 38-08-06.4 and such other relief as is appropriate.
- (4) Pursuant to NDAC Section 43-02-03-88.1, the Director is authorized, on behalf of the Commission, to grant or deny applications relating to, inter alia, flaring exemptions under NDCC Section 38-08-06.4 and under NDAC Section 43-02-03-60.2.
- (5) At the time of this hearing, NDCC Section 38-08-06.4 stated:

As permitted under rules of the industrial commission, gas produced with crude oil from an oil well may be flared during a one-year period from the date of first production from the well. Thereafter, flaring of gas from the well must cease and the well must be capped, connected to a gas gathering line, or equipped with an electrical generator that consumes at least seventy-five percent of the gas from the well. An electrical generator and its attachment units to produce electricity from gas must be considered to be personal property for all purposes. For a well operated in violation of this section, the producer shall pay royalties

to royalty owners upon the value of the flared gas and shall also pay gross production tax on the flared gas at the rate imposed under section 57-51-02.2. The industrial commission may enforce this section and, for each well operator found to be in violation of this section, may determine the value of flared gas for purposes of payment of royalties under this section and its determination is final. A producer may obtain an exemption from this section from the industrial commission upon application and a showing that connection of the well to a natural gas gathering line is economically infeasible at the time of the application or in the foreseeable future or that a market for the gas is not available and that equipping the well with an electrical generator to produce electricity from gas is economically infeasible.

(6) At the time of this application, Hess was the owner or operator of the following well in the Short Creek-Bakken Pool, Burke County, North Dakota:

<u>File #</u>	<u>Well Name &amp; Number</u>	<u>Location</u>
19347	AV-Schwartz-163-93- #0211H-1	Lot 1 Section 2-T163N-R93W

The Commission approved the transfer of the AV-Schwartz-163-93- #0211H-1 well from Hess Corporation to Hess Bakken Investments II, LLC on January 1, 2014.

(7) The AV-Schwartz-163-93- #0211H-1 well was completed in the Short Creek-Bakken Pool on or around July 18, 2012. Pursuant to NDCC Section 38-08-06.4, gas produced with crude oil from an oil well may be flared during a one-year period from the date of first production from the well.

(8) The Short Creek-Bakken Pool is an oil reservoir, but gas is produced in association with the oil at the wellhead as a by-product of oil production.

(9) By previous order of the Commission, said well is currently authorized to flare so that all owners of interests in the well herein described may receive the maximum benefits of the oil production in such a manner that will prevent waste and protect correlative rights.

(10) The well is not connected to a gas gathering facility and Commission records indicate that the well currently produces approximately 23 MCF per day of surplus gas.

(11) The well is located approximately 19 miles to the nearest gas gathering system.

(12) Hess has submitted evidence that under current market conditions the surplus casinghead gas presently being produced by the well and the estimated recoverable reserves of surplus gas from the well is insufficient to recoup the costs of installing and operating a gas gathering facility.

(13) The record of this case was left open for Hess to address the feasibility of connecting to an electrical generator. Hess failed to submit such information, although the Commission will take administrative notice of Case Nos. 16841 and 17739.

Case No. 16841 was an application of Samson Resources Company (Samson) in which it was determined it was not economic to equip the Woodpecker #27-34-163-95H well (File No. 19432) to an electrical generator. The well has similar production to AV-Schwartz-163-93- #0211H-1 well, although produces from the Forthun-Bakken Pool.

Case No. 17739 was an application of Samson in which it was determined it was not economic to equip the Eagle #22-15-163-95H well (File No. 19367) to an electrical generator. The well has similar production to the AV-Schwartz-163-93- #0211H-1 well, although produces from the Forthun-Bakken Pool.

The Commission concludes that equipping the well with an electrical generator to produce electricity from the gas is economically infeasible.

(14) If Hess' request is not granted, taxes and royalties must be paid on flared gas which will increase operating costs, raise the economic limit and cause premature abandonment of the well; or the well must be connected to a gas pipeline or an electrical generator at an economic loss which would also cause premature abandonment, or flaring must cease and the well must be "capped," resulting in the loss of oil production and the loss of the benefits of that production by all owners of interest in the well and the State of North Dakota.

(15) In order to prevent waste, and protect correlative rights this application should be granted.

**IT IS THEREFORE ORDERED:**

(1) Hess Corporation, its assigns and successors, is hereby allowed to flare surplus casinghead gas produced with crude oil from the Short Creek-Bakken Pool through the well listed below under the exemption provided for under NDCC Section 38-08-06.4:

<u>File #</u>	<u>Well Name &amp; Number</u>	<u>Location</u>
19347	AV-Schwartz-163-93- #0211H-1	Lot 1 Section 2-T163N-R93W

(2) This order is effective as of June 24, 2013 and shall remain in full force and effect until further order of the Commission.

Dated this 19th day of July, 2016.

**INDUSTRIAL COMMISSION  
STATE OF NORTH DAKOTA**

By the Director, on behalf of the Commission

/s/ Lynn D. Helms, Director


STATE OF NORTH DAKOTA

AFFIDAVIT OF MAILING

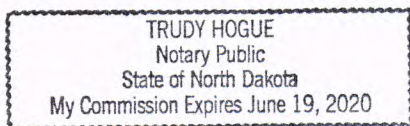
COUNTY OF BURLEIGH

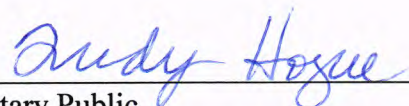
I, Belinda Dickson, being duly sworn upon oath, depose and say: That on the 22nd day of July, 2016 enclosed in separate envelopes true and correct copies of the attached Order No. 22748 of the North Dakota Industrial Commission, and deposited the same with the United States Postal Service in Bismarck, North Dakota, with postage thereon fully paid, directed to the following persons by the Industrial Commission in Case No. 20442:

JOHN MORRISON  
CROWLEY FLECK PLLP  
PO BOX 2798  
BISMARCK ND 58502

  
\_\_\_\_\_  
Belinda Dickson  
Oil & Gas Division

On this 22nd day of July, 2016 before me personally appeared Belinda Dickson to me known as the person described in and who executed the foregoing instrument and acknowledged that she executed the same as her free act and deed.



  
\_\_\_\_\_  
Notary Public  
State of North Dakota, County of Burleigh

**Kadrmass, Bethany R.**

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**From:** Hicks, Bruce E.  
**Sent:** Friday, September 06, 2013 9:50 AM  
**To:** John W. Morrison  
**Cc:** Siemieniowski, Victoria; Bohrer, Mark F.  
**Subject:** RE: Hess - 38-08-06.4 orders: Cases 19822,19823,19824,20441,20442,20443

John,

Note at the time of the hearing, NDCC Section 38-08-06.4 and NDAC Section 43-02-03-60.2 required the following information to be covered when considering granting an exemption:

- a. basis for the gas price;
- b. cost of connecting the well to a gas line and operating the facilities;
- c. current daily rate of gas flared;
- d. amount of gas reserves and amount of gas available for sale; and
- e. evidence that equipping the well with an electrical generator to produce electricity from the surplus gas is economically infeasible.

Note Hess has failed to include the following information:

- a. current daily rate of gas flared—this was not included, but we are willing to accept that the gas production records on file are included in the case under the provisions of NDAC Sec 43-02-03-90.2; and
- b. evidence that equipping the well with an electrical generator to produce electricity from the surplus gas is economically infeasible.

In the past, Hess has attempted to fulfill the electrical generator requirement (in Case Nos. 12398, 12399, and 12400) by providing the statement:

*“In my opinion, it is not economically feasible, now or in the foreseeable future to connect this well to a gas gathering system or to equip the well with an electrical generator to produce electricity from gas.”*

Note the Commission is not comfortable approving such request unless the affiant’s qualifications to make such a statement are included in the affidavit, or economics on the feasibility to connect to an electrical generator are included.

Let me know if you have any questions or comments.

*Bruce E. Hicks*

Assistant Director  
Oil and Gas Division  
Dept of Mineral Resources  
North Dakota Industrial Commission  
701-328-8020  
[bhicks@nd.gov](mailto:bhicks@nd.gov)  
[www.dmr.nd.gov/oilgas](http://www.dmr.nd.gov/oilgas)  
Bismarck, ND 58505-0840

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**From:** John W. Morrison [<mailto:jmorrison@crowleyfleck.com>]  
**Sent:** Tuesday, August 20, 2013 9:42 AM  
**To:** Bohrer, Mark F.; Hicks, Bruce E.  
**Cc:** Siemieniewski, Victoria  
**Subject:** Hess - 38-08-06.4 orders

Mark and Bruce, I'm not sure who does the 38-08-06.4 orders. Hess has 3 from April (19822 through 19824) and 3 from June (20441-20443) that we haven't seen orders on yet. Let me know if you need anything further on these cases. Thanks.

CROWLEY | FLECK PLLP  
ATTORNEYS

John W. Morrison  
Crowley Fleck PLLP  
P.O. Box 2798  
400 East Broadway, Suite 600  
Bismarck, North Dakota 58501  
Telephone - (701)223-6585  
Direct Dial - (701)224-7534  
Facsimile - (701)222-4853  
Cell - (701)220-1819  
[JMORRISON@CROWLEYFLECK.COM](mailto:JMORRISON@CROWLEYFLECK.COM)

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**Kadrmass, Bethany R.**

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**From:** Lisa Herberholz <lherberholz@crowleyfleck.com>  
**Sent:** Monday, June 24, 2013 1:26 PM  
**To:** Hicks, Bruce E.  
**Cc:** Ohashi, George K.; John W. Morrison; Kadrmass, Bethany R.  
**Subject:** Flaring Affidavit & Exhibits  
**Attachments:** Hess Filing Ltr - Ohashi Flaring Aff 20441-20443.pdf; Hess - Ohashi Flaring Aff 20441-20443.pdf; Hess - Cases 20441-20443 Exhibits.pdf

Please find attached the flaring affidavit and exhibits for Case Nos. 20441-20443. Thank you.

Lisa

CROWLEY | FLECK PLLP  
ATTORNEYS

*Lisa Herberholz*

Administrative Assistant  
Crowley Fleck PLLP  
400 East Broadway Avenue, Suite 600  
P.O. Box 2798  
Bismarck, ND 58502  
Direct 701.224.7538  
Fax 701.222.4853  
✉ [lherberholz@crowleyfleck.com](mailto:lherberholz@crowleyfleck.com)

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John W. Morrison  
400 East Broadway, Suite 600  
P.O. Box 2798  
Bismarck, ND 58502-2798  
Office: 701.223.6585  
Direct: 701.224.7534  
jmorrison@crowleyfleck.com

June 24, 2013

*Via Electronic Mail*

Mr. Bruce Hicks  
Oil & Gas Division  
ND INDUSTRIAL COMMISSION  
600 E. Blvd. Ave., Dept. 405  
Bismarck, ND 58505-0840

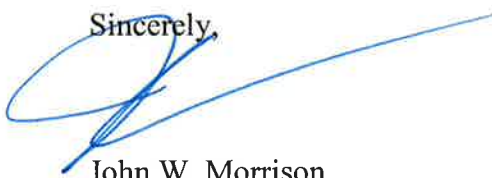
**In re: Hess Corporation**  
**Case Nos. 20441-20443**

Dear Mr. Hicks:

Pursuant to Section 43-02-03-88.1 of the North Dakota Administrative Code, please find enclosed the affidavit of George Ohashi and exhibits in these cases.

If you need any further information, please let me know.

Sincerely,



John W. Morrison

lh  
enc.

cc (via e-mail): George Ohashi  
Bethany Kadrmas



BEFORE THE INDUSTRIAL COMMISSION  
OF THE STATE OF NORTH DAKOTA

Application of Hess Corp. for an order ) Case No. 20441  
pursuant to NDAC § 43 02-03-88.1 )  
authorizing the flaring of gas produced from )  
the EN-Enget-158-93-1009H-1 well, SESE, )  
Section 10, T.158N., R.93W., Mountrail )  
County, ND, pursuant to the provisions of )  
NDCC 38-08-06.4, or for such other relief as )  
may be appropriate. )

Application of Hess Corp. for an order ) Case No. 20442  
pursuant to NDAC 43-02-03-88.1 )  
authorizing the flaring of gas produced from )  
the AV-Schwartz-163-93-0211H-1 well, Lot )  
1, Section 2, T.163N., R.93W., Burke )  
County, ND, pursuant to the provisions of )  
NDCC 38-08-06.4, or for such other relief as )  
may be appropriate. )

Application of Hess Corp. for an order ) Case No. 20443  
pursuant to NDAC 43-02-03-88.1 )  
authorizing the flaring of gas produced from )  
the AV-Wrigley Brothers-164-94-3130H-1 )  
well, SWSE, Section 31, T.164N., R.94W., )  
Burke County, ND, pursuant to the )  
provisions of NDCC 38-08-06.4, or for such )  
other relief as may be appropriate. )

STATE OF NORTH DAKOTA )  
)SS.  
COUNTY OF WARD )

George Ohashi, being duly sworn, states as follows:

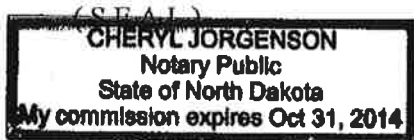
1. I am an engineer employed by Hess Corporation and have previously testified before this Commission as an expert witness and had my qualifications accepted.
2. Exhibits 1-A through 2-B in the captioned cases were prepared by myself or under my control and supervision. To the best of my knowledge, the information on the exhibits is true and correct.


Dated this 24<sup>th</sup> day of June, 2013.

  
George Ohashi

STATE OF NORTH DAKOTA     )  
  )SS.  
COUNTY OF WARD             )

Subscribed to and sworn before me this 24<sup>th</sup> day of June, 2013.



  
Notary Public  
State of North Dakota  
My Commission Expires: October 31, 2014



## **Exhibit 1-B: AV-SCHWARTZ Flaring Exemption Economics**

Hess Corporation  
June NDIC Hearings  
Case: 20442  
6/11/13

### **Well Information:**

**Well Name: AV-SCHWARTZ-163-93-0211H-1**

**NDIC File No: 19347**

**Date of First Production: 7/18/12**

**Well life: 40 years**

**Remaining well life (as of 5/31/13): 39.1321 years**

**Cumulative Oil Production: 14,088 Bbls**

**Cumulative Gas Production: 16,722 Mcf**

**Current Oil Reserves: 287,255 Bbls**

**Current Gas Reserves: 256,084 Mcf**

**Miles to Hess Gathering System: 19 miles**

**Cost of Hess Gas line: \$700,000 per mile**

**Price of Flared Gas (Hess Average last 12 months): \$6.89 per Mcf**

### **Hess well Economics:**

**Cost to Tie into Hess Gathering Line:      \$ 13,300,000 = 19 x \$ 700,000**

**Lifetime Hess Gas Revenue:                      \$ 1,764,418.76 = \$6.89 x 256,084**

**Gas Revenue per year:                              \$ 45,088.78 = \$ 1,764,418.76/39.1321 years**

**Hess Simple Payout:                                294.96 years = \$ 13,300,000 / \$ 45,091.20**

**Return on Investment (ROI):                     $-.87 = (\$ 1,764,418.76 - \$13,300,000) / (\$ 13,300,000)$**

### **Assumptions:**

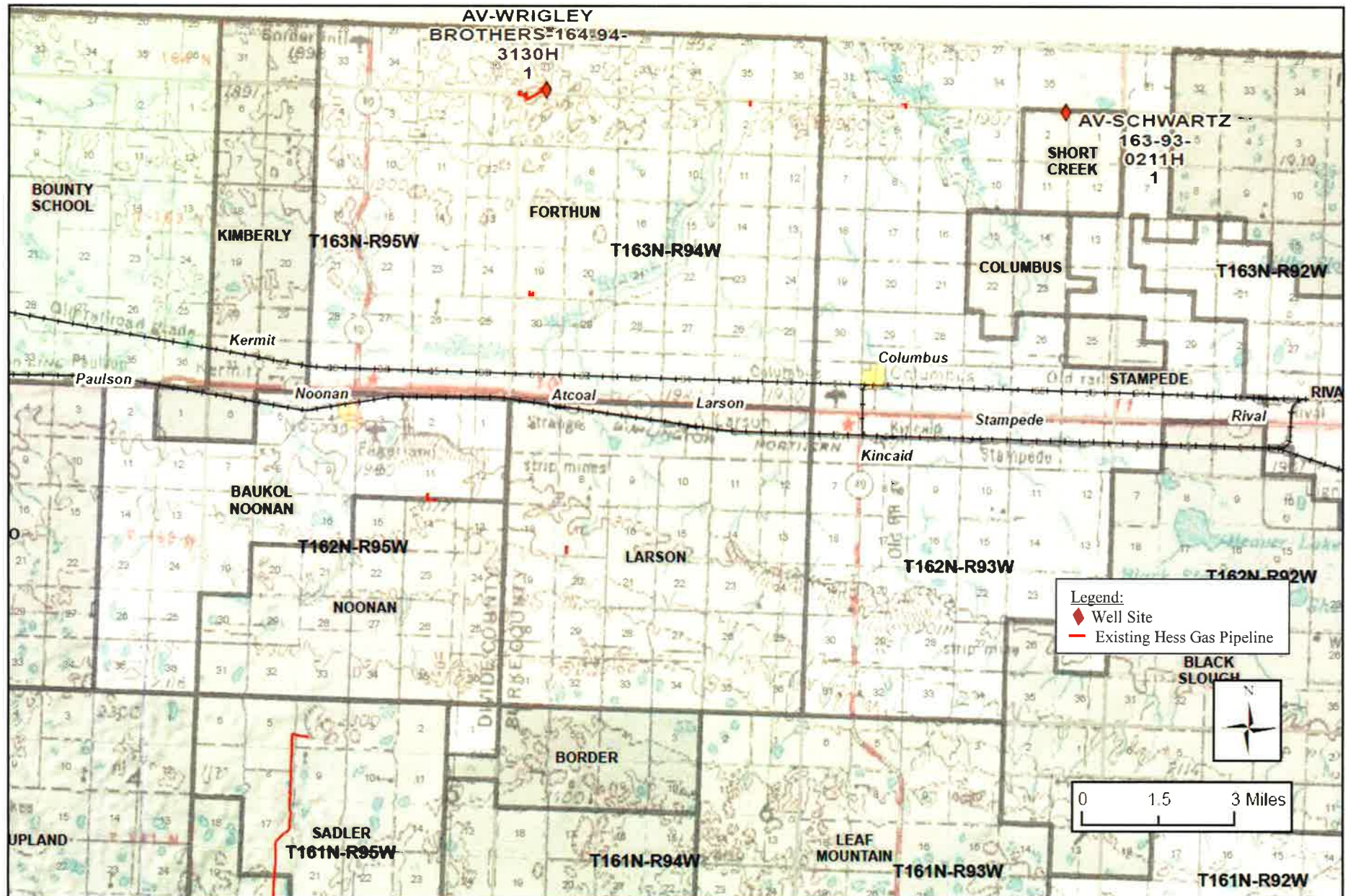
- Price of flared gas is 12 month average of Tioga Netbacks (February 2012-February 2013)
- Oil and Gas Reserves are through 4/30/13. Approximations obtained from Houston reservoir Engineers analysis year ending 2012.
- Miles to Hess Gathering line obtained from GIS measurement tool (possible shortest distance)
- Cumulative Oil & Gas Production includes through 4/30/13 obtained in GIC

### **Third Party Economics:**

**Oneok was contacted for tie-in options and declined to commit to tying in these wells. They will re-evaluate options in 2014.**

**Exhibit 2-A: AV-SCHWARTZ-163-93-0211H-1 (CASE 20442),  
& AV-WRIGLEY BROTHER-164-94-3130H-1 (CASE 20443)**

**HESS Corporation**



BEFORE THE INDUSTRIAL COMMISSION  
OF THE STATE OF NORTH DAKOTA

Application of Hess Corporation for an order )  
pursuant to NDAC 43-02-03-88.1 )  
authorizing the flaring of gas produced from )  
the AV-Schwartz-163-93-0211H-1 well, Lot )  
1, Section 2, T.163 N., R.93W., Burke )  
County, ND, pursuant to the provisions of )  
NDCC 38-08-06.4, or for such other relief as )  
may be appropriate. )

**APPLICATION**

COMES NOW the applicant, Hess Corporation, and respectfully alleges as follows:

1. It is the owner of an interest in and the operator of the AV-Schwartz-163-93-0211H-1 well, which is a horizontal Bakken well with a surface location in Lot 1, Section 2, Township 163 North, Range 93 West, Burke County, North Dakota.
2. The well is not currently connected to a gas gathering system and gas produced in association with oil from the well is not being sold and is currently flared.
3. In applicant's opinion, connection of the well to a natural gas gathering system is economically infeasible now and in the foreseeable future.
4. Applicant respectfully requests that it be granted an exemption in accordance with Section 38-08-06.4 and that it be allowed to produce the well at an unrestricted rate and flare gas produced in association with oil from the well.
5. Applicant requests that it be allowed to present testimony by telephone pursuant to Section 43-02-03-88.2 of the North Dakota Administrative Code.

WHEREFORE, applicant respectfully requests that this matter be set for hearing at the regularly scheduled hearings in June, 2013 and that thereafter the Commission enter its order granting the relief requested.

Dated this 24<sup>th</sup> day of May, 2013.

HESS CORPORATION

CROWLEY FLECK PLLP  
Attorneys for the Applicant  
Suite 600, 400 East Broadway  
P.O. Box 2798  
Bismarck, ND 58502

By:   
JOHN W. MORRISON

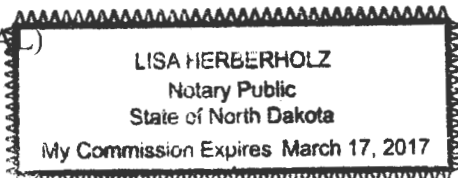
STATE OF NORTH DAKOTA     )  
  ) ss.  
COUNTY OF BURLEIGH     )

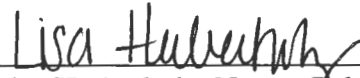
John W. Morrison, being first duly sworn on oath, deposes and says that he is the attorney for the applicant herein named, that he has read the above and foregoing application, knows the contents thereof, and that the same is true to the best of this affiant's knowledge, information and belief.

  
JOHN W. MORRISON

Subscribed and sworn to before me this 24<sup>th</sup> day of May, 2013.

(SEAL)



  
Lisa Herberholz, Notary Public  
Burleigh County, North Dakota  
My Commission Expires:





STATE OF NORTH DAKOTA)  
COUNTY OF BURKE)

Kristi M. Bohl of said County and State, being first duly sworn, on her oath, says that she is the owner of The Burke County Tribune, a weekly newspaper of general circulation, printed at Bowbells, in said County and State, and that she has been during the time hereinafter mentioned, and that the Notice of Publication of

Notice of Hearing

a printed copy of which is hereto annexed, was published in the regular and entire issue of said newspaper during the period and time of publication, and that the Notice was published in the newspaper proper and not in supplement, once each week for 1 successive weeks, to wit:

65 20 13 20 20

20 20 20

Kristi M. Bohl  
Kristi M. Bohl, Publisher

Subscribed and sworn to before me this 5<sup>th</sup>  
day of

June 20 13

Lyann Olson  
Notary Public in and for  
Burke County, North Dakota

1st time 62 lines at .69 per line 42.78

2nd time \_\_\_\_\_ lines at \_\_\_\_\_ per line \_\_\_\_\_

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2nd time \_\_\_\_\_ column inches at \_\_\_\_\_ per line \_\_\_\_\_

TOTAL \_\_\_\_\_

## Notice of Hearing

### N.D. INDUSTRIAL COMMISSION OIL AND GAS DIVISION

The North Dakota Industrial Commission will hold a public hearing at 9:00 a.m. Wednesday, June 26, 2013, at the N.D. Oil & Gas Division, 1000 East Calgary Ave., Bismarck, N.D. At the hearing the Commission will receive testimony and exhibits. Persons with any interest in the cases listed below, take notice.

**PERSONS WITH DISABILITIES:** If at the hearing you need special facilities or assistance, contact the Oil and Gas Division at 701-328-8038 by Thursday, June 13, 2013.

#### STATE OF NORTH DAKOTA TO:

- ✓ Case No. 20410: Application of WISCO, Inc. for an order pursuant to NDAC § 43-02-03-51 authorizing the construction and operation of mobile treating plants throughout the state of North Dakota, and such other relief as is appropriate.
- ✓ Case No. 20413: Application of Newalta Environmental Services, in accordance with NDAC § 43-02-03-51, for an order authorizing the construction of a mobile oil treating and oilfield waste treating/processing facility for the purpose of salvaging, treating and recycling upstream petroleum wastes.
- ✓ Case No. 20427: Application of OXY USA, Inc. for an order amending the applicable orders for the Vanville-Bakken Pool, Burke County, ND, to produce at a maximum efficient rate and flare gas produced in association with oil until June 30, 2014, or for such other relief as may be appropriate.
- ✓ Case No. 20442: Application of Hess Corp. for an order pursuant to NDAC 43-02-03-88.1 authorizing the flaring of gas produced from the AV-Schwartz-163-93-0211H-1 well, Lot 1, Section 2, T.163N., R.93W., Burke County, ND, pursuant to the provisions of NDCC 38-08-06.4, or for such other relief as may be appropriate.
- ✓ Case No. 20443: Application of Hess Corp. for an order pursuant to NDAC 43-02-03-88.1 authorizing the flaring of gas produced from the AV-Wrigley Brothers-164-94-3130H-1 well, SWSE, Section 31, T.164N., R.94W., Burke County, ND, pursuant to the provisions of NDCC 38-08-06.4, and such other relief as is appropriate.

LYANN OLSON  
Notary Public  
State of North Dakota  
My Commission Expires Aug. 6

Signed by,  
Jack Dalrymple, Governor  
Chairman, ND Industrial Commission  
June 5, 2013

# The Bismarck Tribune

www.bismarcktribune.com

## The Finder

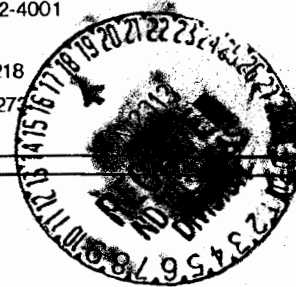
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Phone: (701) 328-8020

Date: 06/08/2013

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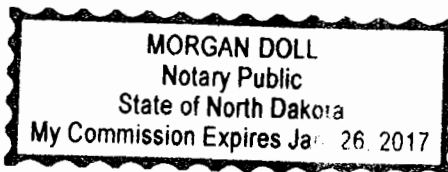
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06/07/13	06/07/13	1	609505/Case No. 20410 Bismarck Tribune PO:Notice of Hearing	506.00	Legals	394.68	394.68

#### Affidavit of Publication

State of North Dakota ) SS County of Burleigh  
Before me a Notary Public for the State of North Dakota  
personally appeared CE who being duly sworn, deposes  
and says that he (she) is the Clerk of Bismarck Tribune Co.,  
and that the publication(s) were made through the  
Bismarck Tribune on the following dates:  
6/7 Signed Calvin Kuntz  
sworn and subscribed to before me this 11th  
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# **NOTICE OF HEARING** **N.D. INDUSTRIAL COMMISSION** **OIL AND GAS DIVISION**

The North Dakota Industrial Commission will hold a public hearing at 9:00 a.m. Wednesday, June 26, 2013, at the N.D. Oil & Gas Division, 1000 East Calgary Ave., Bismarck, N.D. At the hearing the Commission will receive testimony and exhibits. Persons with any interest in the cases listed below, take notice.

**PERSONS WITH DISABILITIES:** If at the hearing you need special facilities or assistance, contact the Oil and Gas Division at 701-328-8038 by Thursday, June 13, 2013.

## **STATE OF NORTH DAKOTA TO:**

Case No. 20410: Application of WISCO, Inc. for an order pursuant to NDAC § 43-02-03-51 authorizing the construction and operation of mobile treating plants throughout the state of North Dakota, and such other relief as is appropriate.

Case No. 20411: Application of WISCO, Inc. for an order pursuant to NDAC § 43-02-03-51 authorizing the construction and operation of a treating plant in the NW1/4 of Section 26, T.154N., R.104W., Williams County, ND, and for such other relief as is appropriate.

Case No. 20412: Application of Earthworks, Inc. for an order pursuant to NDAC § 43-02-03-51 authorizing the construction and operation of a treating plant in the SWSW of Section 10, T.155N., R.97W., Williams County, ND, and for such other relief as is appropriate.

Case No. 20413: Application of Newalta Environmental Services, in accordance with NDAC § 43-02-03-51, for an order authorizing the construction of a mobile oil treating and oilfield waste treating/processing facility for the purpose of salvaging, treating and recycling upstream petroleum wastes.

Case No. 20414: Application of American Eagle Energy Corp. for an order establishing approximate 800-acre standup drilling or spacing units for the Bakken Pool consisting of Sections 25 and 34; Sections 26 and 35; Sections 27 and 36; Sections 28 and 33; Sections 29 and 32; and Sections 30 and 31, T.164N., R.102W., Divide County, ND, allowing one horizontal well to be drilled on each unit, eliminating any tool error requirements, and for such further relief as is appropriate.

Case No. 20215: (Continued) Application of True Oil LLC to consider the temporary spacing to develop an oil and/or gas pool discovered by the True Federal #31-32 well located in the NWNE of Section 32, T.148N., R.101W., McKenzie County, ND, define the limits of the field, and enact such special field rules as may be necessary.

Case No. 14935: (Continued) Application of Hess Corp. for an order suspending, and after hearing revoking, a permit issued to Continental Resources, Inc. for the drilling of the Foster #1-28H well on a drilling unit consisting of Sections 28 and 33, T.153N., R.99W., Williams and McKenzie Counties, ND; and such other relief as is appropriate.

Case No. 20415: Application of Whiting Oil and Gas Corp. for an order amending the applicable orders for the Ray and the Dollar Lake-Bakken Pools (i) to allow up to eight wells to be drilled on twelve existing 1280-acre spacing units described as Sections 6 and 7; Sections 17 and 20; Sections 18 and 9; Sections 29 and 32; and Sections 30 and 1, T.156N., R.96W., Sections 1 and 12; Sections 2 and 11; Sections 3 and 10; and Sections 13 and 24, T.156N., R.97W., Sections 6 and 7, T.155N., R.96W., and Sections 1 and 12; and Sections 15 and 22, T.155N., R.97W., Williams County, ND; (ii) to establish seven overlapping 2560-acre spacing units described as Sections 2, 3, 10 and 11; and Sections 1, 2, 11 and 12, T.156N., R.97W.; Sections 1 and 12, T.156N., R.97W., and Sections 6 and 7, T.156N., R.96W.; and Sections 13 and 24, T.156N., R.97W., and Sections 18 and 19, T.156N., R.96W.; Sections 17, 18, 19 and 20; and Sections 29, 30, 31 and 32, T.156N., R.96W.; and Sections 1 and 12, T.155N., R.96W., and Sections 1 and 12, T.155N., R.97W., and allow an additional horizontal well to be drilled at or near common boundary between existing spacing units; and (iii) granting such other relief as may be appropriate.

Case No. 20416: Application of Whiting Oil and Gas Corp. for an order amending the applicable orders for the Harding, Hay Creek, Nelson Bridge, Cartwright and Estes-Bakken Pools to establish six overlapping spacing units consisting of all or portions of Sections 2, 3, 10 and 11; Sections 3, 4, 9 and 10; Sections 4, 5, 8 and 9; Sections 5, 6, 7 and 8; Sections 16, 17, 20 and 21; and Sections 17, 18, 19 and 20, T.150N., R.104W., McKenzie County, ND, and authorize the drilling of one horizontal well on each such overlapping spacing unit at or near the common boundary between existing spacing units, and granting such other relief as may be appropriate.

Case No. 20417: Application of Kodiak Oil & Gas (USA) Inc. for an order amending the applicable orders for the Epping-Bakken Pool to establish a 2560-acre spacing unit consisting of Sections 4, 9, 16 and 21, T.155N., R.99W., Williams County, ND, and authorize up to four horizontal wells to be drilled thereon, and such other relief as is appropriate.

Case No. 20418: Application of Kodiak Oil & Gas (USA) Inc. for an order amending the applicable orders for the Sand Creek-Bakken Pool to establish three 1280-acre spacing units described as Sections 4 and 9; Sections 5 and 8; and Sections 6 and 7, T.153N., R.96W., McKenzie County, ND, and authorize up to eight horizontal wells to be drilled on each such spacing unit, and such other relief as is appropriate.

Case No. 20419: Application of Hess Corp. for an order amending the applicable orders for the Alkali Creek-Bakken Pool to establish an overlapping 2560-acre spacing unit consisting of Sections 19, 20, 29 and 30, T.154N., R.94W., Mountrail and McKenzie Counties, ND, for the purpose of drilling one or more horizontal wells between the existing 1280-acre spacing units; and granting such other and further relief as may be appropriate.

Case No. 20420: Application of Burlington Resources Oil & Gas Co. LP for an order amending the applicable orders for the Sand Creek-Bakken Pool to dissolve a 2560-acre spacing unit described as Sections 14, 23, 26 and 35, T.153N., R.97W., and allow up to seven horizontal wells to be drilled on two 1280-acre spacing units described as Sections 14 and 23; and Sections 26 and 35, T.153N., R.97W., McKenzie County, ND, and such other relief as is appropriate.

Case No. 20421: Application of Burlington Resources Oil & Gas Co. LP for an order amending the applicable orders for the Bailey-Bakken Pool, Dunn County, ND, so as to alter the definition of the stratigraphic limits of the pool and such other and further relief as may be appropriate.

Case No. 20422: Application of Burlington Resources Oil & Gas Co. LP for an order amending the applicable orders for the Blue Buttes-Bakken Pool, McKenzie County, ND, so as to alter the definition of the stratigraphic limits of the pool and such other and further relief as may be appropriate.

Case No. 20423: Application of Burlington Resources Oil & Gas Co. LP for an order amending the applicable orders for the Dimmick Lake-Bakken Pool, McKenzie County, ND, so as to alter the definition of the stratigraphic limits of the pool and such other and further relief as may be appropriate.

Case No. 20424: Application of Burlington Resources Oil & Gas Co. LP for an order amending the applicable orders for the Fancy Buttes-Bakken Pool, McKenzie County, ND, so as to alter the definition of the stratigraphic limits of the pool and such other and further relief as may be appropriate.

Case No. 20425: Application of Burlington Resources Oil & Gas Co. LP for an order amending the applicable orders for the Johnson Corner-Bakken Pool, McKenzie County, ND, so as to alter the definition of the stratigraphic limits of the pool and such other and further relief as may be appropriate.

Case No. 20426: Application of Burlington Resources Oil & Gas Co. LP for an order amending the applicable orders for the Twin Valley-Bakken Pool, McKenzie County, ND, so as to alter the definition of the stratigraphic limits of the pool and such other and further relief as may be appropriate.

Case No. 20027: (Continued) Application of Burlington Resources Oil & Gas Co. LP for an order amending the applicable orders for the Westberg-Bakken and Keene-Bakken/Three Forks Pool to establish two overlapping 1280-acre spacing units consisting of Sections 3 and 4; and Sections 8 and 9, T.152N., R.96W., McKenzie County, ND, for the purpose of drilling one or more horizontal wells between the existing 640 and 1280-acre spacing units; and such other relief as is appropriate.

Case No. 20427: Application of OXY USA, Inc. for an order amending the applicable orders for the Vanville-Bakken Pool, Burke County, ND, to produce at a maximum efficient rate and flare gas produced in association with oil until June 30, 2014, or for such other relief as may be appropriate.

Case No. 20428: Application of Marathon Oil Co. for an order creating four 1280-acre drilling units consisting of Sections 3 and 10; Sections 27 and 34; Sections 30 and 31, T.135N., R.99W.; and Sections 29 and 32, T.136N., R.99W.; Slope County, ND, and allowing a horizontal well to be drilled in the Tyler Formation in each such drilling, and such other relief as is appropriate.

Case No. 20429: Application of G3 Operating, LLC for an order allowing the Fort Berthold 152-94-15B-22-3H well to be drilled and completed and produce with the wellbore potentially open to the Bakken Pool at a location approximately 663 feet from the north line and 446 feet from the west line of Section 15, T.152N., R.94W., McKenzie County, ND, as an exception to the applicable field rules for the Antelope-Sanish Pool, and such other relief as is appropriate.

Case No. 20430: Application of G3 Operating, LLC for an order amending the applicable orders for the Eagle Nest-Bakken Pool, Dunn and McKenzie Counties, ND, so as to alter the definition of the stratigraphic limits of the pool and such other relief as is appropriate.

Case No. 20431: Application of G3 Operating, LLC for an order amending the applicable orders for the Four Bears-Bakken Pool, Mountrail and McKenzie Counties, ND, so as to alter the definition of the stratigraphic limits of the pool and such other relief as is appropriate.

Case No. 20432: Application of Williston Exploration, LLC for an order pursuant to NDAC § 43-02-03-88.1 authorizing the conversion to saltwater disposal into the Dakota Group of the Tracy Mountain Federal #10-3 well (File No. 14770), NWSE Section 3, T.138N., R.101W., Tracy Mountain Field, Billings County, ND, pursuant to NDAC Chapter 43-02-05 and such other relief as is appropriate.

Case No. 20433: Application of North Plains Energy, LLC for an order pursuant to NDAC § 43-02-03-88.1 authorizing saltwater disposal into the Dakota Group in the Sioux Trail 1 SWD well, SWSW Section 21, T.160N., R.101W., Sioux Trail Field, Divide County, ND, pursuant to NDAC Chapter 43-02-05 and such other relief as is appropriate.

Case No. 20324: (Continued) Application of North Plains Energy, LLC for an order pursuant to NDAC § 43-02-03-88.1 authorizing drilling of a saltwater disposal well to be located in the SWSW of Section 21, T.160N., R.101W., Divide County, ND, in the Dakota Formation pursuant to NDAC § 43-02-05, and such other relief as is appropriate.

Case No. 20434: Application of Secure Energy Services USA, LLC for an order pursuant to NDAC § 43-02-03-88.1 authorizing saltwater disposal into the Dakota Group in the Prestang SWD #1 well, SWSW Section 5, T.149N., R.98W., Pembroke Field, McKenzie County, ND, pursuant to NDAC Chapter 43-02-05 and such other relief as is appropriate.

Case No. 20435: Application of Secure Energy Services USA, LLC for an order pursuant to NDAC § 43-02-03-88.1 authorizing saltwater disposal into the Dakota Group in the Peterson SWD #2 well, NWSW Section 31, T.163N., R.97W., Fillmore Field, Divide County, ND, pursuant to NDAC Chapter 43-02-05 and such other relief as is appropriate.

Case No. 20436: Application of Bakken Hunter, LLC, for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit described as Sections 30 and 31, T.164N., R.98W., Ambrose-Bakken Pool, Divide County, ND, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 20437: Application of Murex Petroleum Corp. for an order allowing up to eight horizontal wells to be drilled and completed on four 1280-acre spacing units for the Midway-Bakken Pool described as Sections 17 and 20; Sections 28 and 33; Sections 29 and 32; and Sections 30 and 31, T.157N., R.95W., Williams County, ND, and such other relief as is appropriate.

Case No. 20438: Application of Murex Petroleum Corp. for an order allowing up to eight horizontal wells to be drilled and completed on a 1280-acre spacing unit for the West Capa-Bakken Pool described as Sections 27 and 34, T.155N., R.96W., Williams County, ND, and such other relief as is appropriate.

Case No. 20439: Application of Hess Corp. for an order amending the applicable orders for the Cottonwood-Bakken Pool to authorize up to six horizontal wells to be drilled on a 1280-acre spacing unit described as Sections 25 and 36, T.157N., R.92W., Mountrail County, ND, and such other relief as is appropriate.

Case No. 20440: Application of Hess Corp. for an order amending the applicable orders for the Truxax-Bakken Pool to authorize up to ten horizontal wells to be drilled on a 1280-acre spacing unit described as Sections 14 and 15, T.153N., R.98W., Williams County, ND, and such other relief as is appropriate.

Case No. 20441: Application of Hess Corp. for an order pursuant to NDAC § 43-02-03-88.1 authorizing the flaring of gas produced from the EN-Engel-158-93-1009H-1 well, SESE Section 10, T.158N., R.93W., Mountrail County, ND, pursuant to the provisions of NDCC 38-08-06.4, or for such other relief as may be appropriate.

Case No. 20442: Application of Hess Corp. for an order pursuant to NDAC § 43-02-03-88.1 authorizing the flaring of gas produced from the AV-Schwartz-163-93-0211H-1 well, Lot 1, Section 2, T.163N., R.93W., Burke County, ND, pursuant to the provisions of NDCC 38-08-06.4, or for such other relief as may be appropriate.

Case No. 20443: Application of Hess Corp. for an order pursuant to NDAC § 43-02-03-88.1 authorizing the flaring of gas produced from the AV-Wrigley Brothers-164-94-3130H-1 well, SWSE Section 31, T.164N., R.94W., Burke County, ND, pursuant to the provisions of NDCC 38-08-06.4, and such other relief as is appropriate.

Case No. 20444: Application of Hess Corp. pursuant to NDAC § 43-02-03-88.1 for an order allowing oil and gas produced from the EN-D Cvcancara S-154-93-0904H-2, the EN-D Cvcancara S-154-93-0904H-3, the EN-D Cvcancara S-154-93-0904H-4, and the EN-D Cvcancara S-154-93-0904H-5 wells, Sections 4 and 9, T.154N., R.93W., Mountrail County, ND, to be commingled in a central production facility pursuant to NDAC § 43-02-03-88.1 and such other relief as is appropriate.

Case No. 20445: Application of Hess Corp. pursuant to NDAC § 43-02-03-88.1 for an order allowing oil and gas produced from the EN-Fretheim S-154-93-0805H-4, the EN-Fretheim S-154-93-0805H-5, and the EN-Fretheim S-154-93-0805H-6 wells, Sections 5 and 8, T.154N., R.93W., Mountrail County, ND, to be commingled in a central production facility pursuant to NDAC § 43-02-03-88.1 or granting such other and further relief as may be appropriate.

Case No. 20446: Application of Hess Corp. pursuant to NDAC § 43-02-03-88.1 for an order allowing oil and gas produced from the EN-Johnson A-155-94-2932H-1, the EN-Johnson A-155-94-2932H-2, and the EN-Johnson A-155-94-2932H-3 wells, Sections 29 and 32, T.155N., R.94W., Mountrail County, ND, to be commingled in a central production facility pursuant to NDAC § 43-02-03-88.1 or granting such other and further relief as may be appropriate.

Case No. 20447: Application of Hess Corp. pursuant to NDAC § 43-02-03-88.1 for an order allowing oil and gas produced from the EN-Johnson A-155-94-2932H-4, the EN-Johnson A-155-94-2932H-5, and the EN-Johnson A-155-94-2932H-6 wells, Sections 29 and 32, T.155N., R.94W., Mountrail County, ND, to be commingled in a central production facility pursuant to NDAC § 43-02-03-88.1 or granting such other and further relief as may be appropriate.

Case No. 20447: Application of Hess Corp. pursuant to NDAC §43-02-03-88.1 for an order allowing oil and gas produced from the EN-Weyrauch-154-93-1918H-4, the EN-Weyrauch-154-93-1918H-5, the EN-Weyrauch-154-93-1918H-6, the EN-Weyrauch-154-93-1918H-7, and the EN-Weyrauch-154-93-1918H-8 wells, Sections 18 and 19, T.154N., R.93W., Mountrail County, ND, to be commingled in a central production facility pursuant to NDAC § 43-02-03-48.1 and such other relief as is appropriate.

Case No. 20448: Application of Burlington Resources Oil & Gas Co. LP for an order amending the applicable orders for the Blue Buttes-Bakken Pool to authorize up to seven horizontal wells to be drilled on a 1280-acre spacing unit consisting of Sections 34 and 35, T.151N., R.95W., McKenzie County, ND, and such other relief as is appropriate.

Case No. 20449: Application of Whiting Oil and Gas Corp. for an order amending the applicable orders for the Sanish-Bakken Pool, Mountrail and McKenzie Counties, ND, (i) to allow up to six horizontal wells to be drilled on two existing 640-acre spacing units described as Section 6, T.153N., R.92W., and Section 1, T.152N., R.93W.; (ii) to allow up to eleven horizontal wells to be drilled on each 1280-acre spacing unit currently contained in Zones XII and XIII; (iii) to allow up to three horizontal wells to be drilled on each 1280-acre spacing unit currently included within Zone VII; (iv) to allow up to five horizontal wells to be drilled on each 1280-acre spacing unit currently included within Zone IX; (v) to allow up to five horizontal wells to be drilled on each 2560-acre spacing unit currently included within Zone XV; and (vi) and such other relief as is appropriate.

Case No. 20450: Application of Kodiak Oil & Gas (USA) Inc. for an order amending the applicable orders for the Mandaree-Bakken Pool to authorize up to ten horizontal wells to be drilled on two 1280-acre spacing units described as Sections 12 and 13, and Sections 24 and 25, T.149N., R.93W., Dunn County, ND; and such other relief as is appropriate.

Case No. 20451: Application of OXY USA Inc. for an order amending the applicable orders for the Cabernet-Bakken Pool to allow up to seven horizontal wells to be drilled on seven 1280-acre spacing units described as Sections 13 and 24; Sections 15 and 22; and Sections 25 and 36, T.144N., R.97W.; Sections 35, T.144N., R.97W. and 2, T.143N., R.97W.; Sections 1 and 12, T.143N., R.97W.; Sections 30 and 31, T.144N., R.96W.; and Sections 6 and 7, T.143N., R.96W., Dunn County, ND, and such other relief as is appropriate.

Case No. 20452: Application of Oasis Petroleum North America LLC for an order authorizing up to twelve horizontal wells to be drilled on some or all of the 1280-acre spacing units currently existing in the Alger-Bakken Pool, Mountrail County, ND, and such other relief as is appropriate.

Case No. 20453: Application of Oasis Petroleum North America LLC for an order authorizing up to twelve horizontal wells to be drilled on some or all of the 1280-acre spacing units currently existing in the Alkali Creek-Bakken Pool, McKenzie, Mountrail and Williams Counties, ND, and such other relief as is appropriate.

Case No. 20454: Application of Oasis Petroleum North America LLC for an order authorizing up to twelve horizontal wells to be drilled on some or all of the 1280-acre spacing units currently existing in the Robinson Lake-Bakken Pool, Mountrail County, ND, and such other relief as is appropriate.

Case No. 20455: Application of Oasis Petroleum North America LLC for an order authorizing up to twelve horizontal wells to be drilled on some or all of the 1280-acre spacing units currently existing in the Sanish-Bakken Pool, McKenzie and Mountrail Counties, ND, and such other relief as is appropriate.

Signed by,  
Jack Dalrymple, Governor  
Chairman, ND Industrial Commission  
6/7 - 609505